

Risk Owner Key: HoF - Head of Fund, IP - Investment Panel

COVID-19 RISK														
Risk Ref	Risk Title	Risk Description	Risk Drivers	Risk Owner	Inherent Risk			Controls	Residual Risk			Risk Actions		
					Impact	Likelihood	Rating		Impact	Likelihood	Rating	Action Details	Owner	Target Date
F1 NEW	Covid-19: Administration	The Covid-19 Pandemic negatively impacts administrative services	<ul style="list-style-type: none"> Widespread illness/absences. 	HoF	1	4	M	<ul style="list-style-type: none"> LPP have Engaged with key contacts on contingency planning; LPPA have now moved out of the Business Continuity Plan arrangements and are now back to 'business as usual'; List of key contacts has been provided to the Lancashire team Fortnightly update calls with LCC team and Deputy Director of business administration LPPA continue to review SLA performance and is meeting required standards; Sickness levels continuously monitored and staff will be redeployed as necessary. If staff shortages occur business will move from business as usual to provide critical services; Consideration has been given to re-employment of LCC staff to support Pension Administration critical services. This is being monitored by the Head of Fund; LLP are reviewing website messages daily to ensure effective communications with members, employers and clients; Homeworking continues for LPPA and staff wellbeing is being monitored; LPPA have commenced a process to cross skill in areas that could be impacted should there be a second wave of the pandemic in the winter months. 	1	3	L		HoF	Dec-20
F2 NEW	Covid-19: Funding	The Covid-19 Pandemic negatively impacts funding	<ul style="list-style-type: none"> Deterioration in funding creates reliance on the employers' covenant; Contribution plans may become unaffordable; Weakened, but not highly stressed covenant; Financially stressed covenant. 	HoF	4	4	H	<ul style="list-style-type: none"> Covenant mitigation measures; Funding discussions with employers; Review contribution plan if required and consider alternative security; Discussions with employers regarding triggering of 'corridor' funding, use of contingency assets protections and investment strategy de-risking; A significant proportion of employer contributions have already been pre-paid. 	4	1	M	<ul style="list-style-type: none"> the Head of Fund is continuing to monitor contributions, and engage with any employers where there may be issues with payment; Investment Strategic Asset Allocation has been amended and presented at the September Pension Fund Committee. An updated Strategy will be presented to the Pension Fund Committee at its meeting on 27th November 2020 for approval. 	HoF	Dec-20
F3 NEW	Covid-19: Investment	The Covid-19 Pandemic negatively impacts investments	<ul style="list-style-type: none"> Assets fall against strategic benchmark and risk position; Market distortions; Sale of assets at depressed prices to meet cash flow; Planned strategic changes no longer possible due to changes in valuation. 	HoF	4	4	H	<ul style="list-style-type: none"> LPPI Investment Committee and LPPI Risk Management Function continuous to oversee the investment profile of the Pooled assets, and against client-specific requirements. Enhanced reporting has been undertaken by LPPI on a proactive basis for LCPF; LPPI have now completed a full review of all cash flow assumptions in order to capture possible impacts of CV-19 and have confirmed that for all clients the liquidity position remains robust. LPPI have been in contact with external fund managers across the portfolio to confirm they are able to operate in the current environment. Each manager is in some form of BCP implementation and continue to manage our clients' assets in line with the respective mandates 	4	3	H	<ul style="list-style-type: none"> Investment Strategic Asset Allocation has been amended and presented at the September Pension Fund Committee. An updated Strategy will be presented to the Pension Fund Committee at its meeting on 27th November 2020 for approval; LPPI has been providing continual updates as required for the Investment Panel and has held periodic Teams calls as the Covid-19 situation developed. Markets have seen a significant return since March and no changes to asset allocations have been required. 	HoF	Dec-20
F4 NEW	Covid-19: Fund Governance	The Covid-19 Pandemic negatively impacts Fund Governance	<ul style="list-style-type: none"> Committee and Board illness/unavailability; Inability to continue to run the Fund effectively; Unable to respond quickly. 	HoF	4	4	H	<ul style="list-style-type: none"> The Service Resilience Plan for the Fund has been activated for a pandemic; Regular telephone conference meetings are taking place with LPP. Staff currently working effectively from home; All County Council Meetings are being run virtually; All delegated responsibilities are clear and understood; Amend governance documents as required e.g. to reflect correct processes; 	4	2	H	<ul style="list-style-type: none"> Pension Fund Committee, Local Pension Board, Investment Panel and all training is now all happening online. This will continue for the foreseeable future and proven to be effective and adequate thus far; 	HoF	Dec-20

F5 NEW	Covid-19: Member Communications	The Covid-19 Pandemic negatively impacts Fund Members	<ul style="list-style-type: none"> • Market volatility causes member unrest/queries; • Lifestyle switching for AVC causes members to lock into equity losses or portfolio is not sufficiently diversified to protect against losses; 	HoF	1	3	L	<ul style="list-style-type: none"> • LPPA has implemented clear Member Communication Strategy and this has been shared and discussed with LCPF. • The contact centre continues to operate, albeit with a slightly reduced opening time; • The website is being regularly updated with information for members, including FAQs. • LPPA have implemented a new telephony solution from June 2020 with enhanced capability and management information • LPPA call centre is operating at full capacity. 	1	2	L		HoF	Dec-20
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